



Legal Department

FY2022 Budget Workshop Presentation

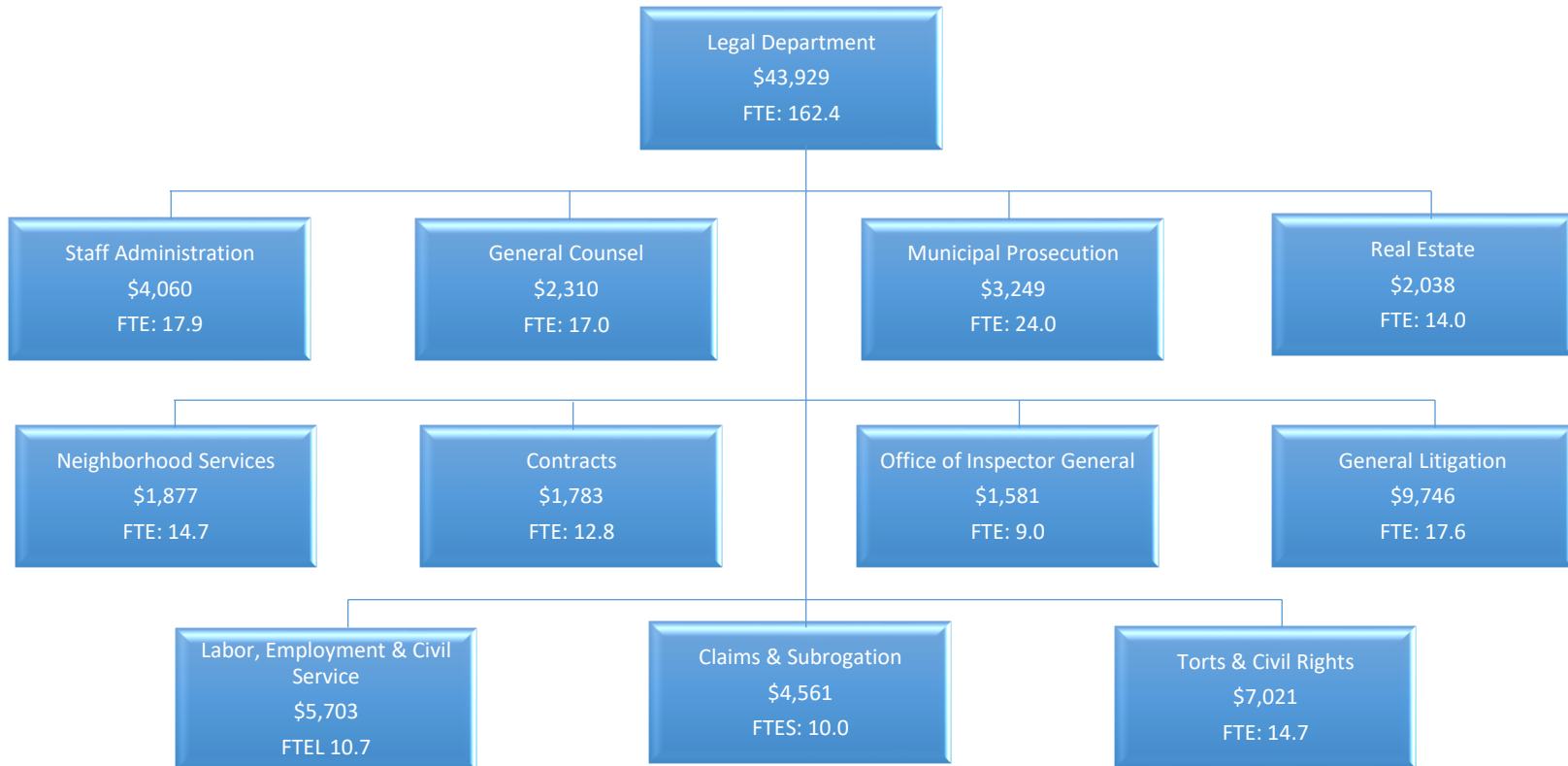
May 17, 2021

Arturo G. Michel

City Attorney

Functional Organizational Chart

(\$ in thousands)



Note: \$ and FTES included are General Fund and Revolving Funds. General Fund 107.4 FTES, \$16,695 Revolving Fund 55 FTES, \$27,234. FTES budgeted in other departments are excluded: Other non-Legal Operating Fund 25.0 FTES, \$2,993.



Department Programming

Major Services

The Legal Department provides the highest quality municipal legal services to the City, its elected and appointed official, and its employees.

- Counsel client departments on:
 - Public finance matters
 - Statutory and code enforcement
 - Planning and development issues
 - State, federal and local statutory, regulatory and contract compliance
 - Protection of neighborhoods
 - Procurement laws and insurance requirements for contractors



Department Programming

- Defends/represents the City in litigation involving:
 - Breach of contract, various torts, condemnation, and construction law
 - Civil Service Commission hearings and pre-termination proceedings
 - Federal and state employment related claims and civil rights claims
- Handles tort claims, property subrogation and workers' compensation



Department Programming

Financial or Societal Impact of Service Delivery

- Directly support efforts on disaster recovery and housing matters.

Anticipated Growth or Reduction in Populations Served

- Anticipated growth in demand for legal services from significant clients including Houston Public Works, Houston Airport System, Housing and Community Development, Houston Police Department, Houston Health Department, and Strategic Procurement.

Revenues By Funds (\$ in thousands)



Fund	FY20 Actual	FY21 Current Budget	FY21 Estimates	FY22 Proposed Budget	Variance FY22 Proposed Budget/FY21 Estimates	% Change
General Fund	643	547	539	544	5	0.9%
Property and Casualty Fund	13,238	26,838	26,404	26,954	550	2.1%
Total	13,881	27,385	26,943	27,498	555	2.1%



FY2022 - Revenues Highlights

- General Fund revenues are primarily comprised of the recapture of salaries of personnel dedicated to specific departments.
- Property and Casualty revenues matched the expenditures in the fund.

Expenditures By Funds (\$ in thousands)



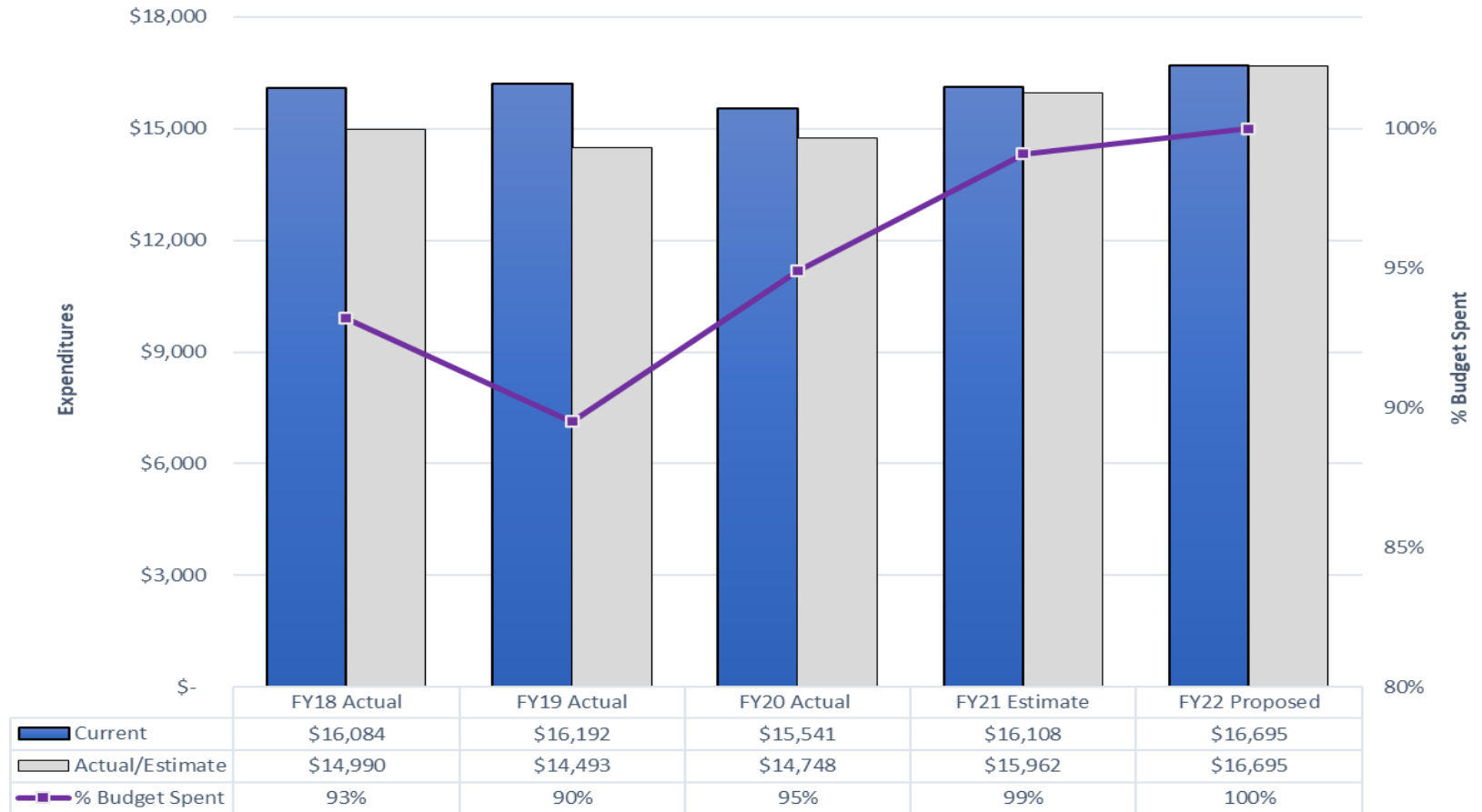
Fund	FY20 Actual	FY21 Current Budget	FY21 Estimates	FY22 Proposed Budget	Variance FY22 Proposed Budget/FY21 Current Budget	% Change
General Fund	14,748	16,108	15,962	16,695	587	3.6%
Property & Casualty Fund	13,238	26,838	26,404	26,954	116	0.4%
Workers' Compensation Fund	236	274	198	280	6	2.2%
Total	28,222	43,220	42,564	43,929	709	1.6%

FY2022 Budget Expenditures Net Change (in thousands)



FY2022 General Fund Budget Expenditures Net Change to FY2021 Projected Current Budget		
FY2021 Current Budget		Notes
Operating Budget	\$ 15,761	
Restricted Budget	561	1
One-time Adjustments		
Temperature Screening Redeployment	(166)	2
Health Benefits Return	(48)	3
One-time Adjustments	(214)	
FY2021 Projected Current Budget less One-Time Adjustments	\$ 16,108	
Explanation of FY2022 Incremental Increase/(Decrease)		
Operating Budget Adjustments		
Program Adjustments - Office of Policing Reform & Accountability	185	4
Subtotal Operating Budget Adjustments	\$ 185	
One-time Adjustments		
Temperature Screening Redeployment	166	2
Health Benefits Return	48	3
One-time Adjustments	214	
Total Operating Budget Changes	\$ 399	
% Change from FY21 Operating Budget (excluding one-time adj)	1.2%	
Contractual or Mandated Adjustments:		
Municipal Pension	\$ 107	
Health Benefits Active Civilian	101	
Long Term Disability	(4)	
Restricted Accounts	(16)	
Subtotal Contractual/Mandated Increases	\$ 188	
FY2022 Proposed Budget		
Operating and Contractual Adjustments		
FY2022 Proposed Budget	\$ 16,695	
% Change from FY2021 Current Budget Excluding One-time Adj	2.3%	
% Change from FY21 Current Budget	3.6%	
Notes:		
1. Restricted Budget includes service chargeback accounts for items such fuel, electricity, IT accounts, etc.		
2. One-time adjustment for redeployment cost covered by the CRF Fund in FY2021.		
3. Includes one-time adjustment for Health Benefits Return.		
4. Approved funding for Office of Policing Reform & Accountability and Community Transparency Dashboard.		

Budget History – General Fund (\$ in thousands)





FY2022 - Expenditure Highlights

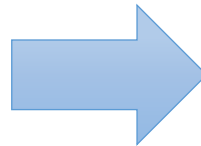
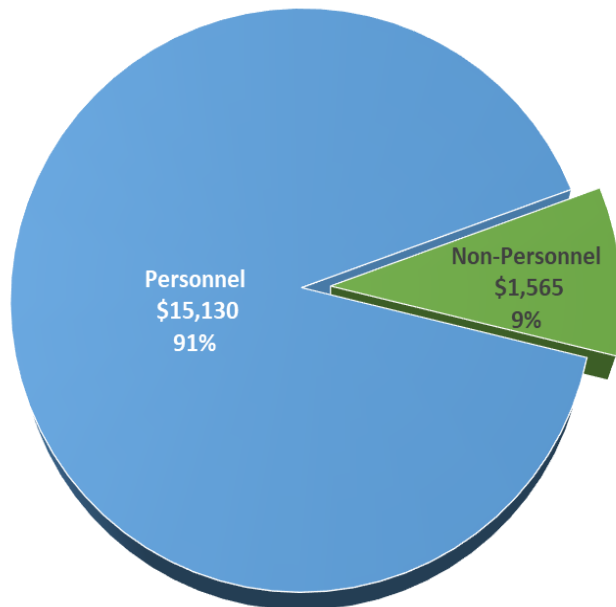
The FY2022 Budget includes:

- Restoration of the prior year's funding level from COVID-19 eligible redeployment costs that were funded out of the Coronavirus Relief Fund (CRF) under the CARES Act 2020.
- Funding for the Office of Policing Reform and Accountability in the General Fund.
- Funding for health benefits and pension contributions.
- Maintain funding for outside counsel, claims, settlements and judgments.

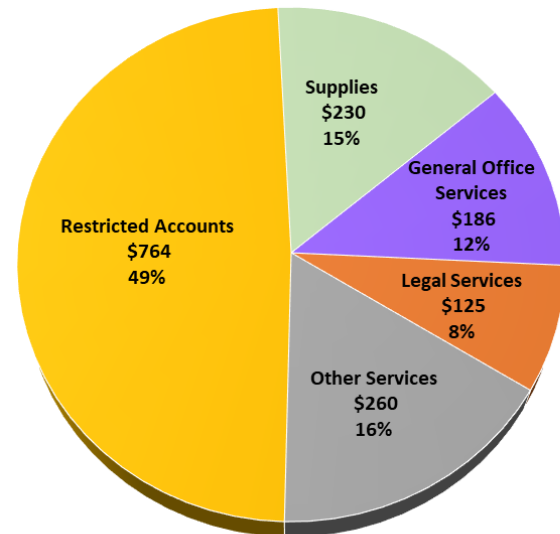
FY2022 Personnel vs Non-Personnel General Fund (\$ in thousands)



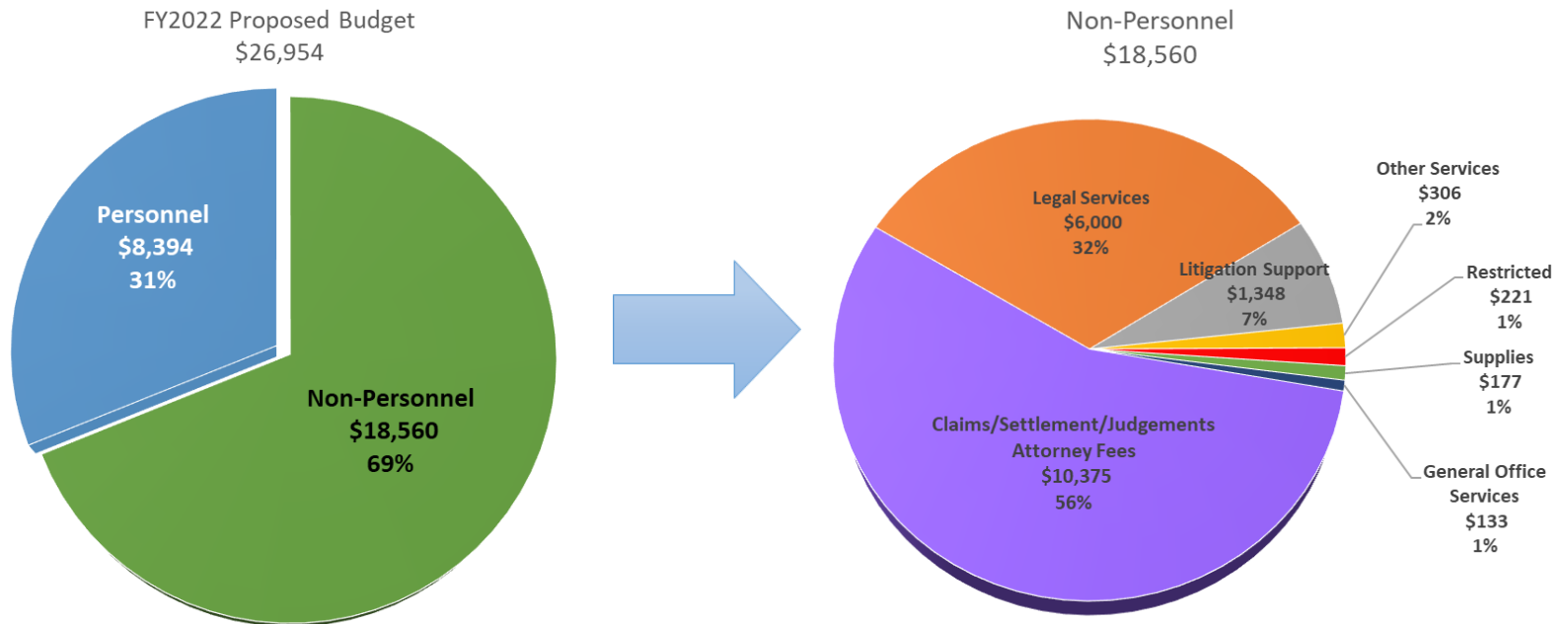
FY2022 Proposed Budget
\$16,695



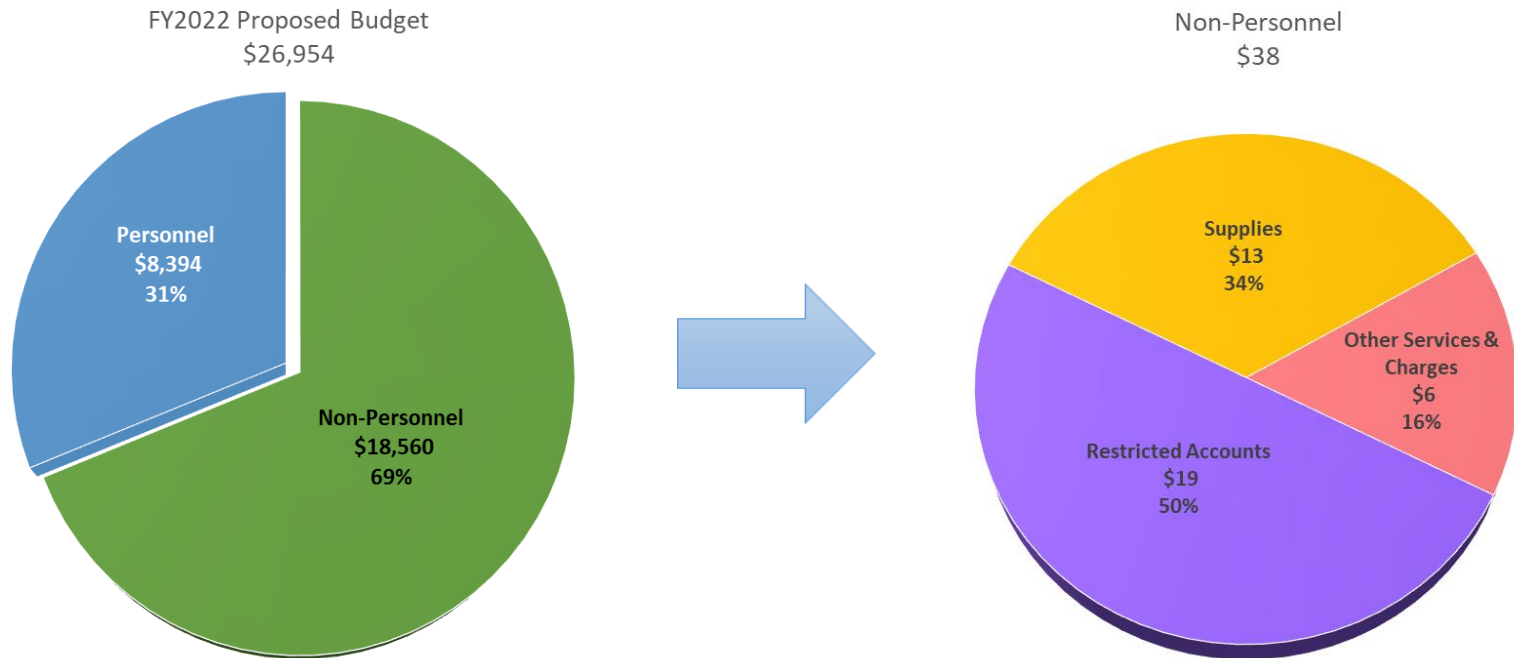
Non-Personnel
\$1,565



FY2022 Personnel vs Non-Personnel Property and Casualty Fund (\$ in thousands)



FY2022 Personnel vs Non-Personnel Workers' Compensation Fund (\$ in thousands)





Questions



Appendix

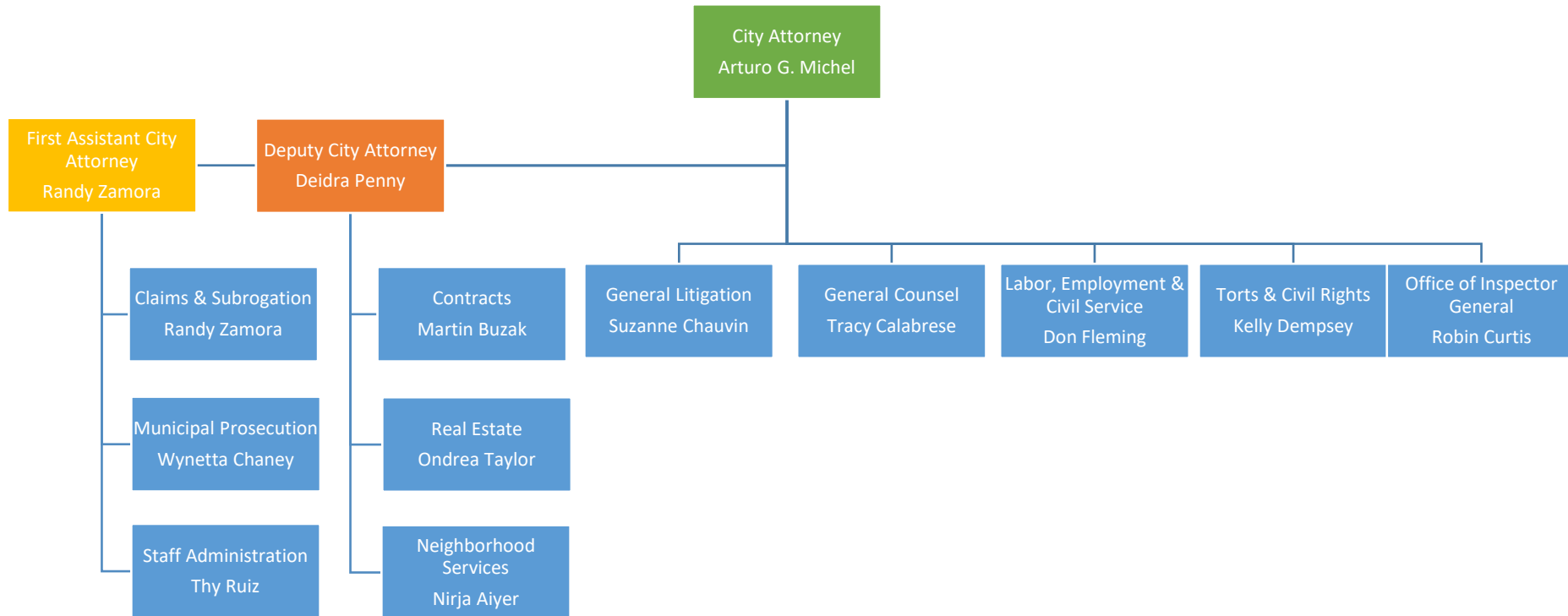


Restricted Account Details

GL Description	Justifications & Cost Drivers
Fuel	Fuel Program operates and manages all City owned fuel sites. Expense explanation - Fuel services are driven primarily by market pricing.
Interfund Application Services	Costs include Microsoft Enterprise licenses, 3-1-1 maintenance support and applications, SAP licenses maintenance and support, various Enterprise Application and Server support personnel, CSMART (MCD Only), eSignature, Project Management, Infor, eDiscovery, Cyber Security Office software and support, HITS Budget support via the Finance Department.
Insurance Fees	Cost increase for property insurance premium.
Interfund Data Services	Costs associated with software and maintenance support contracts required to maintain city networks, applications, desktop devices, servers, payment card industry security, storage devices, cloud services, telephone systems and network equipment including Phonoscope circuits. Contracts covering Antivirus, Firewall and Network backup systems. Also, the Data Center costs are included in the Data Services restricted account.
Interfund Voice Services	Monthly costs for Voice/Communication Services. The services include: Local landlines, voice/data circuits, long distance, 1-800 numbers, calling cards, language lines, Citywide ISP/Internet Access. The major vendors are ATT, Department of Information Resources (DIR), Verizon and Century Link.
Interfund Voice Labor	Labor costs and parts needed to perform work associated with installation and/or upgrades of telephone systems and cabling. The sole vendor is Selrico.
Interfund EGIS Services	Personnel, software licenses and maintenance costs associated with the city of Houston's Enterprise Geographic Information System (EGIS).
Interfund Wireless	Monthly charges for Verizon Business services and mobile devices including cell phones, air cards and tablets.
Interfund HR Client Services	Include HR operation cost reflecting health benefits and restricted accounts increase.
Interfund KRONOS Service Chargeback	Software license and maintenance costs associated with the city of Houston's Time and Attendance System (KRONOS).



Legal Department Organization Chart

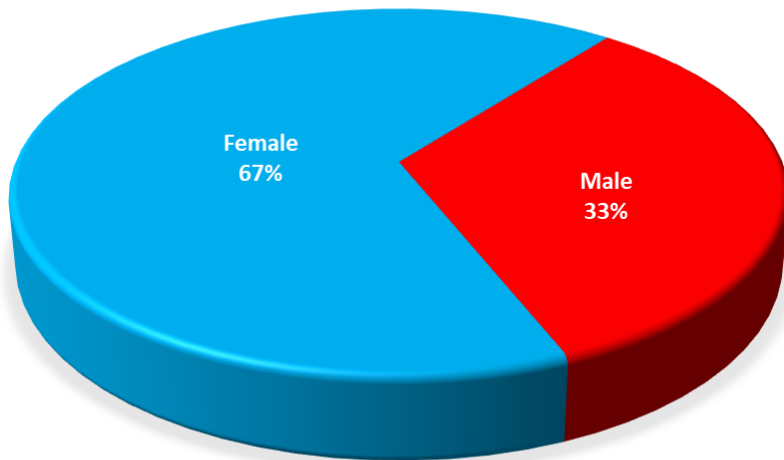


Demographics

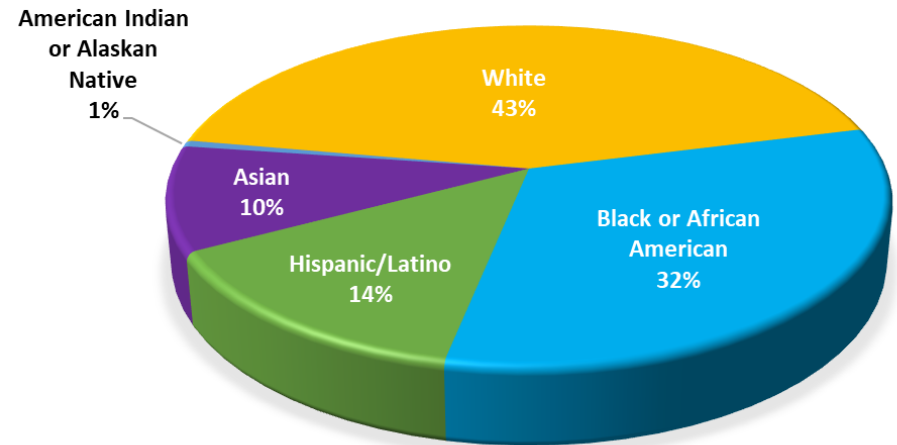
as of April 2021



GENDER



ETHNICITY





Department Accomplishments

Contracts: Provided counsel facilitating the delivery of goods and services related to COVID-19 and Winter Storm Uri relief efforts.

General Counsel: Wrote ordinance regulating donation/recycling bins to address issues of illegal placement of the bins without property owners' consent, dumping of junk in and around the bins, as well as health and safety issues that result from unattended bins.

General Litigation: Successfully defended challenges to City drainage fee revenues of over \$175 million per year.

Municipal Prosecution: Tried and won animal cruelty case filed against the owner of 32 dogs that were seized. Besides ordering that the SPCA be reimbursed for costs of boarding and caring for the animals in question, this victory also divested the owner of these animals and awarded ownership to the SPCA.



Department Accomplishments

Neighborhood Services: Addressed 161 instances of neighborhood blight and dangerous building conditions.

OIG: Investigated 122 cases during the fiscal year, overcame COVID-19 challenges, and began the work that in the current fiscal year has become the Office of Policing Reform and Accountability.

Real Estate: Provided counsel facilitating the use of federal funds for multiple COVID-19 isolation/quarantine and vaccination sites as well as home repair dollars to Houstonians impacted by Hurricane Harvey.

Torts and Civil Rights: Represented the City and its employees in over 450 lawsuits, with 380 tort cases currently filed in various state courts and over 40 civil rights lawsuits filed in federal district courts



Resilience and Climate Action

Legal is supporting multiple resilience projects in collaboration with the Chief Resilience Officer.

High-priority Initiatives or Projects	Resilient Houston Goals/Target/Actions	Climate Action Plan Goal/Target/Action
Vision Zero Action Plan	Goal 3/Action 8	Transportation/Goal 3
American Disabilities Act (ADA) Transition Plan	Goal 3/Action 11	Transportation/Goal 3
DR17 Planning Studies	Goal 6/ Action 17 Goal 8/ Action 25 and 27 Goal 11/Action 36 Goal 18/Action 58	Building Optimization/Goal 1 and 2
Complete Communities	Goal 12/Action 39	Transportation/Goal 3
METRONext Moving Forward Plan	Goal 15/Action 50	Transportation/Goal 3

For more information:

Resilient Houston: <https://www.houstontx.gov/mayor/Resilient-Houston-20200518-single-page.pdf>

Climate Action Plan: <http://greenhoustontx.gov/climateactionplan/CAP-April2020.pdf>